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ZNR UUUUU ZZH  
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FM AMCONSUL KARACHI  
TO RUEHC/SECSTATE WASHDC 0745  
INFO RUEHIL/AMEMBASSY ISLAMABAD 0211  
RUEHLH/AMCONSUL LAHORE 2604  
RUEHPW/AMCONSUL PESHAWAR 4487  
RUCPDO/DEPT OF COMMERCE WASHDC  
RHEBAAA/DEPT OF ENERGY WASHDC  
RUEAIIA/CIA WASHDC  
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL  
RHMFIUU/CDR USCENTCOM MACDILL AFB FL  
RUEKJCS/SECDEF WASHINGTON DC

UNCLAS KARACHI 000600

SENSITIVE  
SIPDIS

E.O. 12958: N/A  
TAGS: [ENRG](#) [PGOV](#) [ECON](#) [PK](#)  
SUBJECT: SINDH - DESPITE GOP CLAIM POWER OUTAGES CONTINUE IN  
KARACHI

Ref: Karachi 587

¶1. (SBU) Summary. An official with the Karachi Electric Supply Company (KESC) disagreed with a GOP statement that the frequent power outages had ended on November 1. Members of Karachi's major trade associations agreed with his assessment, but expected the frequency of the outages to decrease - an assessment the KESC official believed was unrealistic. KESC is facing a supply shortfall of up to 600MW and does not appear poised to resolve this problem in the near term. End summary.

¶2. (SBU) In a November 3 conversation with Post, Karachi Electric Supply Company (KESC) Operations Director Siddiqui disputed a recent media report that quoted Federal Minister of Power Raja Pervez Ashraf as claiming that power outages had ended in Pakistan as of November 1. In the report, Ashraf said that the shortages had ended due to an increase in water levels in the country's rivers and dams (that can be used for hydroelectric generation).

Industrial Associations Say Shortages Continue  
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¶3. (SBU) Sindh Industrial Trading Estates (SITE) Association of Trade and Industry Chair Nisar Shekhani, Karachi Chamber of Commerce and Industry (KCCI) Public Relations Manager Shafiq Beg, and Korangi Association of Industry (KATI) Secretary Nehal Akhtar all agreed that Karachi's power outages, which average 6 to 8 hours daily, have continued unabated, even after November 1. However, they expected the length of load-shedding would gradually decrease in the upcoming winter months as demand lessens. In contrast, KESC's Siddiqui said that while electricity demand typically decreases around 30 percent in most of the country during this season, it has historically remained relatively high in Karachi.

KESC Not Meeting Demand  
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¶4. (SBU) Frequent, unpredictable power outages have plagued Karachi's business community for well over a year as the city's decrepit private power provider, KESC, has struggled to meet demand. These outages, combined with a recent rate hike, have begun to take a toll on industry (reftel). This metropolis of 18 million suffers from an estimated shortfall of about 600MW of power - around 40 percent of KESC's claimed 1500MW power generation capacity.

¶5. (SBU) Comment: Faced with an estimated nine percent increase in demand annually and an outdated and inefficient transmission and distribution system, it is doubtful that KESC will be able to meet the city's energy demands anytime soon. Even if the company's announced new power generation plans come to fruition, it will take several years and require a significant capital investment by its

new owner, Dubai-based Abraj Capital, before the company can come close to satisfying consumer needs. Karachi's newspapers frequently announce new government plans for power generation facilities, most listed as in the "planning stage," but real action has yet to materialize. Frequent power outages will most likely continue to plague Karachi's citizens and businesses over the next few years.

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